Ruukki Group Plc, Interim Report, 28 May 2010 at 11:30 a.m.

RUUKKI GROUP PLC'S INTERIM REPORT FOR 1 JANUARY – 31 MARCH 2010

HIGHLIGHTS Q1/2010

- Group Revenue EUR 54.4 million (1-3/2009: EUR 44.5 million)

- Group EBITDA EUR 2.2 (1.7) million

- Minerals business EBITDA EUR 2.5 (0.7) million

- Wood Processing business EBITDA EUR 2.8 (3.3) million

- Cash flow from operations equalling EUR 4.5 (3.8) million

- Earnings per share, undiluted: EUR -0.01 (-0.01)

- Amount of treasury shares held by the Company: 8,740,895 shares on 31 March 2010 (21,787,917 on 31 December 2009)

- Amount of shares outstanding, netting out the treasury shares: 239,241,105 on 31 March 2010 (239,246,105 on 31 December 2009)

- In relation to the purchase of Mogale Alloys (Pty) Ltd in 2009, the Company paid yesterday, on 27 May 2010, the vendors the second purchase price tranche of 200 million South African rand as was agreed in the original purchase agreement

GROUP KEY FIGURES

EUR million	Q1/2010 3 months 31.3.2010	Q1/2009 3 months 31.3.2009	2009 12 months 31.12.2009
Revenue	54.4	44.5	193.4
EBITDA	2.2	1.7	19.4
% of revenue	4.0%	3.8%	10.0%
EBIT	-5.6	-3.9	-24.6
% of revenue	-10.2%	-8.8%	-12.7%
Earnings before taxes	-5.7	-5.9	-28.3
% of revenue	-10.5%	-13.2%	-14.7%
Profit for the period	-4.4	-5.6	-22.7
Return on equity, % p.a.	-6.2%	-6.6%	-7.1%
Return on capital employed, % p.a.	-3.9%	-4.0%	-5.0%
Equity ratio, %	51.6%	62.9%	52.0%
Earnings per share, undiluted, EUR	-0.01	-0.01	-0.08
Earnings per share, diluted, EUR	-0.01	-0.01	-0.08
Equity per share, EUR	1.08	1.23	1.03
Average number of shares, undiluted (1,000)	239,243	264,988	250,175
Average number of shares, diluted (1,000)	268,321	310,314	295,456
Number of shares outstanding, end of period (1,000)	247,982	261,034	261,034

CEO COMMENTS

According to Alwyn Smit, CEO of Ruukki Group Plc:

- “After a challenging 2009, the weak economic recovery was positively reflected in Ruukki Group’s business in Q1/2010. However, in the Minerals business the signals were mixed, as the market prices fluctuated due to a periodic overcapacity and the Group’s production suffered from a lower than expected furnace availability in South Africa. The production problems will, however, be solved this year.”

- “In general, the future outlook is positive with market demand and prices showing an upswing, especially in emerging markets. China dominates the market for stainless steel production, ferrochrome and chrome ore as the biggest importer and demand is also increasing in other emerging economies. Ruukki Group is focused on raising its production volume by increasing its processing furnace capacity and its own mining activities. The sales of various product groups are segmented to exploit the demand in different geographic markets. We are very pleased with the new Turkish plant that started operating in May within the planned timeframe and budget.”

- “The house building business is demonstrating the most potential in the Wood business. There was a clear pick-up in the number of house orders compared to 2009, and the trend is expected to continue. Along with focusing on popular turnkey houses, the Group’s house building business aims to expand its product range. The launch of a weekend house collection was finalised in early May.”

- “The house building business is also looking into vertical integration opportunities in land and property development. The business is well positioned to seize market opportunities and further increase its profitability if the upturn continues.”

PRESS AND ANALYSTS BRIEFING

The Company will organise a conference call on 28 May 2010 at 2:00 p.m. Finnish time in English. CEO Alwyn Smit will present the interim report. Please register via email to marjo.lonka@ruukkigroup.fi to attend the call. Further instructions will be given after registration.

For any further information, please contact:

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Ruukki Group Plc's shares are listed on NASDAQ OMX Helsinki in which the shares of the Company are traded in the mid cap segment, in the industrials sector.

This Interim Report is released in Finnish and in English. In case there would be any potential discrepancies, inconsistencies or inaccuracies, the Finnish version shall prevail.

RUUKKI GROUP PLC: INTERIM REPORT, 1 JANUARY – 31 MARCH 2010

GUIDANCE AND SHORT TERM OUTLOOK

Global economic recovery remains fragile, but the Group expects demand for Ruukki Group’s products to be better in 2010 than in the previous year in the Group’s major markets. The emphasis on cash flow generation from all of its operations is still a valid operational principle for 2010. The Group is looking for expansion opportunities and potential acquisition targets within its current main business areas and evaluating alternative structures for reorganising its wood processing assets.

Ruukki Group’s Minerals units have been recovering from the year 2009 downturn and the Group sees increased demand for the rest of the quarters of 2010, which is expected to result in higher volumes and better prices for the Group’s products. One of the main risk factors for the Group’s profitability is input prices, mainly the development of the price of raw materials and electricity. Despite recent positive signals, the current state of the minerals sector is expected to remain volatile.

Ruukki Group's Wood Processing units have been enjoying improved market conditions and demand has been increasing. The house building business has increased its sales volume and this trend is expected to continue. The major risk for the Wood Processing units lies in production and raw material costs, where after two years of decreasing prices in the industry, there is now pressure for increases. The Group is reviewing its interests in the house building and wood processing sectors and alternatives available to develop and maximise the value of its related businesses. The Group is evaluating alternative structures for reorganising its house building and wood processing assets. Should the Group's review not result in, for example, a disposal of, or demerger and separate listing of, the Group's house building and wood processing businesses, it is the Group's intention to retain these interests in the medium term and to seek opportunities to maximise their value, prior to an eventual disposal.

KEY EVENTS DURING THE FIRST QUARTER 2010

The preparations for listing Ruukki Group Plc's shares on the Main Market of the London Stock Exchange during the first half of 2010 are ongoing. Related to the listing process, Ruukki Group has been further developing Group governance and steering.

Ilona Halla was nominated CFO of Ruukki Group Plc in February after the Group's Deputy CEO Jukka Havia, responsible for finance and acquisitions, resigned from the Company and moved on to new responsibilities outside Ruukki Group.

In February, Ruukki Group's Turkish subsidiary, Türk Maadin Sirketi A.S., acquired 99.00% of the shares in Intermetal Madencilik ve Ticaret A.S. ("Intermetal"). The rationale of the transaction was to expand the Group's chrome ore reserves base in Turkey.

In January, Ruukki Group Plc's Board decided to cancel 13,052,022 treasury shares held by the Company. The cancellation did not affect the Company's share capital. The registered number of shares has been 247,982,000 since the cancellation, which became valid after it was registered at the Trade Register on 2 February 2010.

The Group has also established an office in Johannesburg for Ruukki South Africa (Pty) Ltd, headed by Dr Alistair Ruiters, who was appointed as Executive Chairman of Mogale Alloys (Pty) Ltd in March 2010 taking over certain management functions from the Mogale board, and to consider potential expansion opportunities for the South African minerals processing business. In addition, Mr. Callie Pienaar was elected as acting Chief Operating Officer of Mogale. The Group has also opened an office in London, to handle investor relations and for some head office staff.

KEY EVENTS AFTER THE FIRST QUARTER 2010

As published on 3 May, Ruukki Group Plc's Board appointed from among its members Mr Barry Rourke as the Chairman of the Audit Committee and Mr Paul Everard and Mr Chris Pointon as the members of the Audit Committee.

Ruukki Group Plc's Board of Directors also decided to establish Nomination and Remuneration Committees. The Board appointed Mr Chris Pointon as the Chairman of the Nomination Committee and Ms Jelena Manojlovic and Mr Terence McConnachie as the members of the Nomination Committee. Furthermore, the Board of Directors appointed Mr Philip Baum as the Chairman of the Remuneration Committee and Mr Markku Kankaala and Ms Jelena Manojlovic as the members of the Remuneration Committee.

The previously announced expansion of the Turkish subsidiary's chromite concentrate processing capacity is proceeding according to plan, and the new plant started operations in May 2010. Due to the installation of the latest generation of shacking tables, the plant can be fed with low grade material and reach a production of high grade concentrate of about 40,000 tons per year. The set up of the new plant permits a large flexibility to process low grade as well as high grade run of mines and allows to obtain a substantial reduction in the processing costs.

The director of Ruukki Group's Wood Processing business Thomas Hoyer was nominated the CEO of Pohjolan Design-Talo Oy, as published on 21 May. This change is in accordance with the strategy of concentrating more to the house building in the Wood business of Ruukki Group Plc.

In relation to the purchase of Mogale Alloys (Pty) Ltd in 2009, the Company paid yesterday, on 27 May 2010, the vendors the second purchase price tranche of 200 million South African rand as was agreed in the original purchase agreement.

DEVELOPMENT BY BUSINESS SEGMENT

MINERALS BUSINESS

Ruukki Group's Minerals business consists of Southern European and South African minerals businesses. Southern European minerals business consists of mining and beneficiation operations in Turkey, chromite concentrate processing in Germany and procurement and sales operations in Malta. The South African business consists of smelting operations with four furnaces. The South African unit's products are mainly sold to external parties through Southern European unit's sales company RCS Ltd, located in Malta. The sales company receives a commission for the South African sales. The Group's aim is to become a vertically integrated mine-to-metals producer in selected minerals and alloys in selected geographical areas.

Revenue and profitability of the Minerals business:

EUR million	1-3/2010 3 months	1-3/2009 3 months	1-12/2009 12 months
Revenue	30.0	12.8	71.0
EBITDA	2.5	0.7	10.4
EBITDA margin	8.3%	5.4%	14.6%
EBIT	-3.8	-3.6	-30.1
EBIT margin	-12.8%	-28.1%	-42.3%

During the first quarter, Ruukki Group's minerals units have been recovering from the economic downturn and the increased demand is expected to result in higher volumes and better prices for the Group's products also in the following quarters of 2010. The first quarter revenue was more than doubled compared to 2009. The increase was mainly based on the South African product sales, since Mogale Alloys was only acquired in the end of May 2009. In Minerals, increasing profitability was the main focus in Q1. It was tackled by cutting costs and with more targeted segmentation in sales of various product groups. The 2010 first quarter EBITDA and EBIT margins were better than in the first quarter of 2009. The main risk factors for the Minerals business' profitability are input prices, mainly the development of the price of raw materials and electricity, as well as exchange rate fluctuations.

The number of employees of the Minerals business totalled 628 on 31 March 2010 (31.3.2009: 388).

Southern European minerals business

Key financial performance indicators for the Southern European minerals business:

EUR million	1-3/2010 3 months	1-3/2009 3 months	1-12/2009 12 months
Revenue	27.9	12.8	57.3
EBITDA	0.5	0.7	10.0
EBITDA margin	1.7%	5.4%	17.4%
EBIT	-3.7	-3.6	-6.9
EBIT margin	-13.3%	-28.1%	-12.0%

The Southern European revenue shows a considerable improvement compared to last year. The revenue includes from Q3/2009 onwards also the sales of the Mogale products, which the Group has post-Mogale acquisition channelled through the Group's Maltese sales company RCS Ltd. For Q1/2010 Southern European minerals business's revenue contains EUR 15.5 million related to the sales of Mogale's products. As there is only a two percentage commission on those sales, it affects the relative profitability of the Southern European minerals operations presented above. This commission totalled EUR 0.3 million for the first quarter of 2010.

The production output in the market was increased at the end of 2009 in order to match growing demand. However, the increase in demand was delayed until the latter part of Q1/2010, which led to a situation of oversupply in the whole market and decreasing market prices, especially of low carbon (LC) products. The Group has therefore focused on the production of higher-margin ultra low carbon (ULC) products.

The production of the German group company Elektrowerk Weisweiler (EWW) was suspended during January-February due to the high stock levels of LC products. The start-up of the EWW furnace in March increased overall production costs in EWW in the first quarter.

The Group's Turkish business has shown a positive development. The Group's chrome ore reserves base in Turkey was expanded by the acquisition of 99 per cent of the shares of Intermetal Madencilik ve Ticaret A.S. ("Intermetal") in January. Intermetal has altogether six chrome ore exploration and exploitation licenses with a total land area of about 5,000 hectares. The new chromite concentrate processing plant of the Turkish subsidiary Türk Maadin Sirketi (TMS) has started operations in May 2010. The plant enables TMS to use nearby waste tailings from previous mining operations rather than mined chrome ore for production of chromite concentrate, which management expects to reduce production costs for the chromite concentrate.

South African minerals business

Key financial performance indicators for the South African minerals business:

EUR million	1-3/2010 3 months	6-12/2009 7 months
Revenue	15.4	28.2
EBITDA	2.4	0.4
EBITDA margin	15.8%	1.6%
EBIT	0.3	-23.1
EBIT margin	1.9%	-82.1%

The first quarter 2010 developments in the South African minerals business were reasonably good compared to last year concerning both revenue and EBITDA. Lower than expected furnace availability had an adverse effect on production volume in the review period and will also have an impact on the full year 2010 production. The production problems will be fixed during the year 2010. All four furnaces are now in production but they are not operating in full capacity. Full production is expected to be achieved after the third quarter of 2010.

To save costs and to give a more versatile product mix for the Group`s customers, the Mogale products have been sold via RCS Ltd since Q3/2009. In order to further lower the costs of raw materials the Group aims to extend local ore production in South Africa.

WOOD PROCESSING BUSINESS

Revenue and profitability of the Wood Processing business:

EUR million	1-3/2010 3 months	1-3/2009 3 months	1-12/2009 12 months
Revenue	24.5	31.7	122.4
EBITDA	2.8	3.3	17.1
EBITDA margin	11.4%	10.3%	14.0%
EBIT	1.4	2.0	13.6
EBIT margin	5.6%	6.2%	11.1%

In Q1/2010 the Group's Wood Processing business revenue and profitability fell behind the first quarter of 2009. There were, however, structural changes in the business that affected this development. At the end of 2009 the Group disposed of three sawmill operations at Lappipaneli Oy and Tervolan Saha ja Höyläämö group, as part of further restructuring of Ruukki's Wood business. Lappipaneli's sawmill business was sold in October 2009; inventories were sold in October 2009 and the transfer of fixed assets took place in April 2010. The revenue of Tervolan Saha and Höyläämö Group totalled EUR 1.8 million and EBIT was EUR 0.0 million for the first quarter of 2009. Lappipaneli Oy's revenue reached EUR 7.4 million and EBIT stood at EUR 0.0 million for 1-3/2009. During 1-3/2010 Lappipaneli has received about EUR 0.3 million of rental income from the use of its fixed assets and its EBIT was EUR 0.4 million negative for the first quarter of 2010. Taking these changes into account, the revenue development for the continued businesses has been positive compared to the first quarter of 2009.

The new orders received in house building showed a recovery and the Group expects that the positive developments in sales in late 2009 and in Q1/2010 will result in improving financial performance later in 2010 when house deliveries will be recognised as revenue. Economic recovery, however, may in the future push the prices of raw materials up, which could have a negative effect on the profitability of the Wood business.

On 31 March 2010 the Wood Processing business employed a total of 258 employees (31 March 2009: 277).

House building business

Key financial performance indicators for the house building business:

EUR million	1-3/2010 3 months	1-3/2009 3 months	1-12/2009 12 months
Revenue	9.2	12.2	31.8
EBITDA	1.6	3.3	7.2
EBITDA margin	17.8%	27.1%	22.6%
EBIT	1.6	3.2	6.8
EBIT margin	16.9%	26.4%	21.5%

Wooden ready-to-move-in house deliveries (number of houses):

1–3/2010	1–3/2009	1-12/2009
62	96*	238

* Of the Q1/2009 deliveries 22 houses relate to Suomutunturi project

The house building business result and margins for the first quarter of 2010 were modest compared to 2009 since the pick-up in sales in late 2009 did not yet mature into deliveries during the quarter. In the whole residential housing sector, however, the improving economic situation rallied market demand and the Company believes that the earlier investments in the development of low-energy and turnkey houses will later pay off, as demand for these product groups is expected to grow faster than the general market.

The major strategic development project of the quarter, finalised in early May, was the launch of a weekend house collection. Entering into this new segment of house building, Design-Talo is expanding its target market. This will not have any significant impact on financial performance in the short-term, but is a strong strategic step in the long-term, that should support growth and reduce the dependence on the single family house market's demand cycles. The number of delivered houses to customers amounted to 62 during the review period.

Pallet business

Key financial performance indicators for the pallet business:

EUR million	1-3/2010 3 months	1-3/2009 3 months	1-12/2009 12 months
Revenue	2.3	2.1	9.4
EBITDA	0.5	0.0	1.5
EBITDA margin	20.7%	1.9%	16.0%
EBIT	0.2	-0.1	0.5

EBIT margin	8.1%	-7.1%	5.5%

In the pallet business, sales volumes returned to normal after a difficult 2009 and both the revenue and the margins of the Q1/2010 show positive developments compared to the first quarter of 2009. The number of pallets delivered to customers was 230,310 (1-3/2009: 247,942). A harbour workers' strike in Finland impacted the demand and affected the quarter's sales, revenue and result. The missed revenues are expected to be recouped in April-May and the positive trend is expected to continue. A strong focus is given to deepening the relationship with key customers and developing the service offering.

Sawmill business

Key financial performance indicators for the sawmill business:

EUR million	1-3/2010 3 months	1-3/2009 3 months	1-12/2009 12 months
Revenue	13.1	17.5	82.7
EBITDA	0.7	-0.1	8.4
EBITDA margin	5.1%	-0.5%	10.1%
EBIT	-0.4	-1.1	6.2
EBIT margin	-2.9%	-6.4%	7.5%

At Junnikkala Oy, the only remaining sawmill entity in the Group operating two sawmills, market conditions improved and business recovered from the downturn. Sales volumes increased in all product groups, with deliveries to domestic house factories showing especially strong growth. The supply of raw material, however, poses a concern for the whole sawmill industry. The revenue development is positive compared to 2009 when taking into account the changes in the sawmill business's structure as described earlier in the Wood processing business section.

When looking at the sawmill business's financial performance indicators for financial year 2009, sawmill business EBITDA, excluding a non-recurring Junnikkala put option related gain, was EUR 3.1 million, which corresponds to about 3.7% of revenue. Sawmill business EBIT was EUR 1.1 million negative (-1.4% of revenue) for 1-12/2009 when both Junnikkala put option termination and Lappipaneli related reversal of impairment would be excluded.

The volume of sawn timber production:

	1-3/2010	1-3/2009	1-3/2009*	1-12/2009
1 000 m3	54	79	40	331

* Q1/2009 when excluding the effect of Lappipaneli Oy and Tervolan Saha ja Höyläämö Oy

OTHER OPERATIONS

For the first quarter of 2010 the Group's other operations, not included in the separately reported segments, generated a negative EBITDA of EUR 3.1 million, which mainly related to the Group's headquarter's operations and to the London listing preparations. The Group's parent company recognised EUR 0.1 million non-cash option expenses for the first quarter of 2010. In relation to the London listing preparations EUR 1.1 million expenses were recognised during first quarter of 2010. The income from associated companies had only a very minor effect to the first quarter results.

The Group's liquidity, when taking into account cash and cash equivalents as well as short-term held-to-maturity deposits, totalled EUR 59.0 (31.12.2009: EUR 58.3) million at the end of the first quarter 2010.

RISKS AND UNCERTAINTIES, CHANGES DURING OR AFTER THE REVIEW PERIOD

In addition to and alongside with the risks described in the Group's 2009 Annual Report, there are certain risks described below that are valid for the prevailing situation.

Through the acquisition of the chrome ore and ferrochrome businesses in October 2008 and by the expansion into South African minerals sector via Mogale Alloys acquisition in May 2009, the Group on the one hand has diversified its industry risks somewhat, and hence is less vulnerable to the wood processing industry, but on the other hand it has more exposures to commodity price risks in the minerals sector.

As a consequence of the above mentioned acquisitions, significant intangible assets are currently recognised on the Group balance sheet. Since the Group has made and might carry out mergers and acquisitions, there is a number of implementation and integration related risks.

There is also uncertainty what the total purchase consideration is for some of the Group's acquisitions, both related to options' exercise prices and also related to earn-out purchase components, as they can only be verified when the total purchase considerations are finally settled, which to some extent takes place only after a few years time.

The further expansion and importance of the Minerals business has also increased the absolute and relative importance of foreign operations and also foreign exchange rate risks, both directly and indirectly. The changes in exchange rates, if adverse, can have a substantial negative impact on the Group's profitability, in particular in relation to changes in USD/ZAR. Changes in ZAR exchange rate also have an effect the EUR value of the deferred purchase consideration of Mogale Alloys.

The Group is considering some alternative options how to organically grow its Minerals business, both at the raw material sourcing and further processing phases, which can expose the Group to major project risks.

Based on studies and surveys carried out so far, the Group has no knowledge of any environmental risks or changes in environmental requirements that relate to its businesses in excess of what is disclosed in the Group's 2009 Annual Report.

Rautaruukki Corporation initiated legal proceedings against Ruukki Group Plc in December 2009. Ruukki Group has in April 2010 filed responses to Rautaruukki Corporation's claims and further initiated legal counter proceedings against Rautaruukki Corporation.

MINERALS

The short-term success of the Group's Minerals businesses is to a large extent dependant on the global demand for stainless steel of which ferrochrome is one key raw material. During the latter half of 2009 there was a pick-up in demand and a trend of sales price increases, but there is still general uncertainty as to how the 2010 demand will further develop. The Group's Minerals business's management expects the demand for the Group's ferroalloys products in general to be higher in 2010 compared to that of 2009, but the Group has decided to curtail the production of the specialty grade ferrochrome during the first quarter, and later if needed, to manage cash flow and inventories.

Since the Minerals operations, in particular in the smelting processes, require a considerable amount of electricity and power, the availability and price of electricity can have a significant effect on the Minerals profitability. In particular in South Africa, there is a substantial risk of an increase in the unit price of electricity.

WOOD

For the Wood Processing operations, the success of the house building business is one key driver of cash flows and profitability. Therefore, the development of the Finnish house building sector in general impacts the financial performance of the business. Currently the Finnish single-family house market in general is rebounding from a few years of declining volumes, but there is still uncertainty as to the length and depth of the recovery. The Group has at the end of 2009 taken some initiatives to diversify the house building business to also cover larger area development projects, which typically tie more cash resources than the earlier basic business model of the Group and expose the business to risks related to changes in the value of the land.

In the sawmill business, major short-term risks and uncertainties relate to customer demand and the development of market prices. Capacity utilisation rate was at a low level in 2009, and if that would not change, it can continue to have an adverse effect on profitability since loosing benefits from economies of scale typically increases average production costs per unit. If there are any public sector changes to taxes, laws, required safety measures or any other similar issues, these can increase the costs of the Group's Wood processing businesses. Also, the changes in foreign exchange rates can have major impact on the Group's sawmill business's performance, as sawn timber products are commodities produced and traded on global markets with only very minor differentiation between competitors.

RELATED PARTY TRANSACTIONS

In February 2010 the Group acquired a 99% stake in Intermetal from a related party for a EUR 0.3 million cash consideration.

The house building business has during the review period entered into sales contracts, the total value of which is EUR 1.3 million including VAT, with its employees and stakeholders for a total of nine houses with deliveries to take place in 2010 and 2011.

There have not been any other significant related party transactions during the review period.

FINANCIAL TABLES

FINANCIAL DEVELOPMENT BY SEGMENT, EUR THOUSAND

1.1.-31.3.2010 EUR '000	Wood Processing	Minerals	Non-segments	Adjustments and eliminations	Group
Revenue					
From external customers	24 461	29 968	0	0	54 429
From other segments	0	0	0	0	0
Segment's revenue	24 461	29 968	0	0	54 429
Profit					
Segment's EBITDA	2 781	2 502	-3 096	0	2 186
Segment's EBIT	1 367	-3 826	-3 108	0	-5 567
Segment's profit	759	-5 026	-170	-3	-4 440

1.1.-31.3.2009 EUR '000	Wood Processing	Minerals	Non-segments	Adjustments and eliminations	Group
Revenue					
From external customers	31 674	12 814	0	0	44 488
From other segments	0	0	1	-1	0
Segment's revenue	31 674	12 814	1	-1	44 488
Profit					
Segment's EBITDA	3 263	693	-2 269	0	1 687
Segment's EBIT	1 959	-3 598	-2 288	0	-3 927
Segment's profit	-705	-1 685	-3 248	0	-5 638

1.1.-31.12.2009 EUR '000	Wood Processing	Minerals	Non-segments	Adjustments and eliminations	Group
Revenue					
From external customers	122 324	71 035	1	0	193 359
From other segments	63	0	321	-384	0
Segment's revenue	122 387	71 035	322	-384	193 359
Profit					

Segment's EBITDA	17 086	10 380	-8 104	0	19 363
Segment's EBIT	13 610	-30 066	-8 161	0	-24 617
Segment's profit	7 461	-31 888	5 950	-4 250	-22 727

ASSETS BY SEGMENT, EUR THOUSAND

ASSETS EUR '000	Wood Processing	Minerals	Non-segments	Adjustments and eliminations	Group
31 March 2010	**79 181**	**400 116**	**357 921**	**-266 702**	**570 516**
31 December 2009	83 623	390 005	362 749	-273 180	563 198

GOODWILL BY SEGMENT, EUR THOUSAND

EUR '000	31.3.2010	%	31.12.2009	%	Change
Minerals	155 213	85.9 %	147 327	85.2 %	7 886
Wood Processing	25 523	14.1 %	25 523	14.8 %	0
Total	**180 736**	**100.0** %	**172 850**	**100.0 %**	**7 886**

* Increase due to changes in exchange rates

CONSOLIDATED INCOME STATEMENT, SUMMARY, EUR THOUSAND

EUR '000	**1.1.-31.3.2010** 3 months	**1.1.-31.3.2009** 3 months	**1.1.-31.12.2009** 12 months
Revenue	**54 429**	**44 488**	**193 359**
Other operating income	392	158	7 587
Operating expenses	-52 634	-42 959	-181 590
Depreciation and amortisation	-7 236	-5 614	-26 960
Impairment	-517	0	-17 020
Items related to associates (core)	-1	0	6
Operating profit	**-5 567**	**-3 927**	**-24 617**
Financial income and expense	-215	-1 936	-3 435
Items related to associates (non-core)	42	-11	-284
Profit before tax	**-5 740**	**-5 874**	**-28 336**
Income tax	1 300	236	5 609
Profit for the period	**-4 440**	**-5 638**	**-22 727**
Profit attributable to			
Owners of the parent	-3 459	-3 572	-19 744
Non-controlling interests	-981	-2 065	-2 983
Total	-4 440	-5 638	-22 727

Earnings per share (counted from profit attributable to owners of the parent):

undiluted (EUR)	-0,01	-0,01	-0,08
diluted (EUR)	-0,01	-0,01	-0,08

STATEMENT OF COMPREHENSIVE INCOME, EUR THOUSAND

Other comprehensive income	**1.1.– 31.3.2010**	**1.1.– 31.3.2009**	**1.1.– 31.12.2009**
Exchange rate differences on translating foreign operations	8 468	428	9 534
Income tax relating to other comprehensive income	-3 548	-193	-3 518
Other comprehensive income, net of tax	**4 920**	**234**	**6 016**
Total comprehensive income for the year	**480**	**-5 403**	**-16 711**
Total comprehensive income attributable to:			
Owners of the parent	738	-3 331	-14 038
Non-controlling interests	-258	-2 072	-2 673

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY, EUR THOUSAND

EUR '000	**31.3.2010**	**31.3.2009**	**31.12.2009**
ASSETS			
Non-current assets			
Investments and intangible assets			
Goodwill	180 736	87 551	172 850
Investments in associates	553	1 728	507
Other intangible assets	102 070	68 397	103 063
Investments and intangible assets total	283 359	157 676	276 421
Property, plant and equipment	83 650	70 706	80 655
Other non-current assets	30 909	23 415	29 506
Non-current assets total	**397 918**	**251 797**	**386 583**
Current assets			
Inventories	55 034	31 632	55 951
Receivables	46 077	35 860	49 283
Held-to-maturity investments	0	144 292	2 500
Other investments	313	245	314
Cash and cash equivalents	58 976	64 232	55 852
Current assets total	**160 401**	**276 261**	**163 900**
Assets held for sale	**12 197**	**0**	**12 714**
Total assets	**570 516**	**528 058**	**563 198**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	23 642	23 642	23 642
Share premium reserve	25 740	25 740	25 740
Revaluation reserve	2 193	2 193	2 193
Paid-up unrestricted equity reserve	260 347	304 263	260 357

Translation reserves	10 363	0	6 165
Retained earnings	-53 264	-33 629	-49 953
Equity attributable to owners of the parent	**269 021**	**322 210**	**268 144**
Non-controlling interests	**17 621**	**5 696**	**17 878**
Total equity	**286 643**	**327 906**	**286 022**
Liabilities			
Non-current liabilities	176 723	142 634	169 318
Current liabilities			
Advances received	14 526	6 538	13 480
Other current liabilities	86 763	50 980	88 097
Current liabilities total	101 289	57 519	101 577
Liabilities classified as held for sale	**5 862**	**0**	**6 280**
Total liabilities	**283 873**	**200 152**	**277 175**
Total equity and liabilities	**570 516**	**528 058**	**563 198**

SUMMARY OF CASH, INTEREST-BEARING RECEIVABLES AND INTEREST-BEARING LIABILITIES, EUR THOUSAND

	31.3.2010	31.3.2009	31.12.2009
Cash and cash equivalent	**58 976**	**64 232**	**55 852**
Interest-bearing receivables			
Current	2 992	145 128	5 265
Non-current	15 204	20 024	15 194
Interest-bearing receivables	**18 196**	**165 152**	**20 459**
Interest-bearing liabilities			
Current	47 856	11 477	45 288
Non-current	78 142	45 828	75 506
Interest-bearing liabilities	**125 999**	**57 305**	**120 793**
NET TOTAL	**-48 827**	**172 079**	**-44 483**

SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, EUR THOUSAND

	Property, plant and equipment	Intangible assets
Acquisition cost 1.1.2010	127 541	337 547
Additions	2 756	499
Disposals	-72	-25
Acquisition cost 31.3.2010	130 224	338 021
Acquisition cost 1.1.2009	118 012	185 429
Additions	35 814	162 181
Disposals*	-27 727	-23 792
Effect of movements in exchange rates	1 442	13 729
Acquisition cost 31.12.2009	127 541	337 547

*Disposals include assets that have been classified as held-for-sale

CONSOLIDATED CASH FLOW STATEMENT SUMMARY, EUR THOUSAND

EUR '000	**1.1.-31.3.2010**	**1.1.-31.3.2009**	**1.1.-31.12.2009**
Net profit	-4 440	-5 638	-22 727
Adjustments to net profit	1 849	9 293	39 630
Payment to trust fund to provide for future remuneration in relation to acquisition	0	0	-6 479
Changes in working capital	7 077	164	-10 239
Net cash from operating activities	**4 486**	**3 819**	**185**
Acquisition of subsidiaries and associates	-319	-1	-102 514
Payment of earn-out liabilities and exercises of call options related to acquisitions	0	0	-438
Disposal of subsidiaries and associates	0	-393	6 321
Capital expenditures and other investing activities	-2 735	-4 731	-10 811
Net cash used in investing activities	**-3 054**	**-5 124**	**-107 443**
Acquisition of own shares	-10	-23 324	-57 714
Capital redemption	0	0	-10 055
Dividends paid	-14	0	-479
Deposits	2 500	42 109	184 230
Interest received, other than operations related	33	820	1 233
Proceeds from borrowings	902	6 653	9 417
Repayment of borrowings, and other financing activities	-1 990	-6 105	-8 926
Net cash used in financing activities	**1 422**	**20 154**	**117 706**
Net increase in cash and cash equivalents	**2 854**	**18 848**	**10 449**

SUMMARY OF THE CHANGES IN SHAREHOLDERS' EQUITY OF THE GROUP, EUR THOUSAND

A = Share capital
B = Share premium reserve
C = Fair value and revaluation reserves
D = Paid-up unrestricted equity reserve
E = Translation reserve
F = Retained earnings
G = Equity attributable to shareholders, total
H = Minority interest
I = Total equity

EUR '000	A	B	C	D	E	F	G	H	I
Equity at 31.12.2008	**23 642**	**25 740**	**2 193**	**328 025**	**-434**	**-30 224**	**348 943**	**7 768**	**356 710**
Total comprehensive income 1-3/2009					434	-3 765	-3 331	-2 072	-5 403
Share-based payments						361	361		361
Acquisition of own shares				-23 762			-23 762		-23 762

Equity at 31.3.2009	23 642	25 740	2 193	304 263	0	-33 629	322 210	5 696	327 906
Dividend distribution								-479	-479
Total comprehensive income 4-12/2009					6 165	-16 871	-10 707	-602	-11 308
Share-based payments						547	547		547
Acquisition of own shares				-33 852			-33 852		-33 852
Capital redemption				-10 055			-10 055		-10 055
Acquisitions and disposals of subsidiaries								13 263	13 263
Equity at 31.12.2009	23 642	25 740	2 193	260 357	6 165	-49 953	268 144	17 878	286 022
Total comprehensive income 1-3/2010					4 197	-3 459	738	-258	480
Share-based payments						113	113		113
Acquisition of own shares				-10			-10		-10
Acquisitions and disposals of subsidiaries						17	17	1	17
Other changes						20	20		20
Equity at 31.3.2010	23 642	25 740	2 193	260 347	10 362	-53 263	269 022	17 621	286 643

OTHER KEY INDICATORS, EUR MILLION

	Q1/2010 3 months 31.3.2010	**Q1/2009 3 months 31.3.2009**	**2009 12 months 31.12.2009**
Gross capital expenditure	3.3	6.3	215.7
% of revenue	6.0%	14.2%	111.6%
Personnel, average	896	708	824
Personnel, at the end of the period	898	678	893
Lowest share price, EUR	1.90	1.04	1.04
Highest share price, EUR	2.30	1.70	2.68
Average trade-weighted share price, EUR	2.05	1.41	1.67
Market capitalisation	500.9	417.7	558.6
Share turnover	4.3	174.5	547.0
Share turnover, %	0.8%	47.3%	125.7%

FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2009 financial statements. These principles are presented below.

Return on equity, % = Net profit / Total equity (average for the period) * 100

Return on capital employed, % = Profit before taxes + financing expenses / (balance sheet total - non-interest bearing liabilities) average * 100

Equity ratio, % = Total equity / balance sheet – prepayments received * 100

Earnings per share, undiluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period

Earnings per share, diluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period, diluted

Equity per share, EUR = Equity attributable to owners of the parent company / Average number of shares during the period

Average trade-weighted share price = Total value of shares traded in euro / Number of shares traded during the period

Market capitalisation, EUR million = Number of shares * Share price at the end of the period

Operating profit (EBIT) = Operating profit is the net of revenue plus other operating income, plus gain/loss on finished goods inventory change, minus employee benefits expense, minus depreciation, amortisation and impairment and minus other operating expense. Foreign exchange gains or losses are included in operating profit when generated from ordinary activities. Exchange gains or losses related to financing activities are recognised as financial income or expense.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = EBIT + Depreciations + Amortisations + Impairment losses

Gross capital expenditure = Gross capital expenditure consists of the additions in the acquisition cost of non-current tangible and intangible assets as well as additions in non-current assets resulting from acquisitions.

ACQUISITIONS AND DIVESTMENTS

Lappipaneli, disposal of assets

Lappipaneli concluded in April the transfer of its fixed assets to Pölkky Oy, Pölkky Metsä Kmo Oy and Kitkawood Oy. Inventories were sold already in October 2009. The consideration was partly paid during the fourth quarter of 2009 and the rest during second quarter of 2010.

Intermetal acquisition

A 99% stake in Intermetal, a Turkish company, was acquired in the beginning of February 2010. Intermetal has chrome ore mining licences in Turkey and has exploration projects ongoing and has also sold extracted chrome ore to international customers, with 2009 revenue being about EUR 1.8 million.

Preliminary purchase price allocation of the Intermetal acquisition was published in 2009 financial statements review, based on December 2009 balance sheet of the target. It was further revised in first quarter of 2010, based on January 2010 balance sheet and applying different exchange rate, without any material changes. The following assets and liabilities were recognised in Q1/2010 relating to the acquisition.

A revised preliminary purchase price allocation of the acquisition:

EUR '000	**Fair value of acquired assets**	**Book value of assets before acquisition**
Intangible assets	202	202
Property, plant and equipment		
Machinery and equipment	119	119
Ore reserves	86	0
Other tangible assets	1	1
Current assets		
Inventories	0	0
Trade and other receivables	87	87
Cash and cash equivalents	18	18
Total assets	**514**	**428**
Deferred tax liability	17	0
Provisions	6	6
Current interest-bearing debt	22	22
Trade and other payables	128	128
Total liabilities	**173**	**155**
Net assets	**341**	**272**

Acquisition cost	338
Ruukki's share of net assets (99%)	338
Goodwill	**0**
Cash flow effect:	
Consideration paid in cash	338
Acquired cash and cash equivalents	-18
Cash flow effect	**320**

ACCOUNTING POLICIES

This Interim Report is prepared in accordance with the IAS 34 standard. Ruukki Group Plc applies the same accounting and IFRS principles as in the 2009 financial statements. Starting from 1 January 2009, the Group has had two reporting segments: Wood Processing business and Minerals business.

The preparation of the Interim Report in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

The treasury shares acquired are presented as deduction in the Group's paid-up unrestricted equity reserve.

The figures in the tables have been rounded off to one decimal point, which must be considered when calculating totals. Average exchange rates for the period have been used for income statement conversions, and period-end exchange rates for balance sheet.

Other changes

The Group decided in conjunction with 2009 financial statements to change the way it presents share of associated profits, sales gains and losses related to associates, and impairment on associates' shares and receivables, to the extent they relate to associated companies owned by the Group parent company and not belonging to business segments. Hence, from 2009 onwards these items are presented in finance items below EBIT, when previously they have been presented above EBIT in various lines. The comparatives have been changed accordingly as well. The rationale behind the change in the way of presenting these items is that these associated companies are not material and that they are classified as non-core assets.

From 31 December 2009, with retroactive implementation, the Group has presented realised and unrealised gains and losses in relation to emission rights in other operating income and expenses above EBIT, whereas earlier those items have been included in finance income and finance expense.

Ruukki acquired in October 2008 the Southern European minerals business, consisting of RCS, TMS and EWW. The business is based on EWW's niche smelter operations, having only one substitute in the market. EWW's products are tailor made sophisticated products integrated to RCS's customers' own products, manufactured only for customer orders. Ruukki Group initially identified customer relationships and technology as separate assets, but has subsequently reconsidered that these two components are embedded and non separable. Therefore it will from Q1/2010 onwards combine these assets and rename them as "customer relationships and technology", recognising the value of the long-term customer relationship and deeply integrated products of a niche manufacturer. In interim reporting, both assets have been presented as other intangible assets. The change in the asset description does not change the interim reporting form from prior reporting.

Acquisition-related liabilities, both conditional and unconditional items, have from 31 December 2009 been retroactively presented in interest-bearing liabilities to the extent those liabilities are to be settled with cash regardless whether the payments are fixed in nominal terms or whether there are interest determined in the transaction documentation. The earn-out liabilities where the payment is in the form of the Company's shares, no reclassification has been carried out, and hence those items are shown in the non-interest bearing liabilities category.

The Interim Report data are unaudited.

In Espoo, 28 May 2010

RUUKKI GROUP PLC

BOARD OF DIRECTORS

OTHER NOTES TO INTERIM REPORT

SHAREHOLDERS

On 25 May 2010, the Company had a total of 3,950 shareholders, of which 9 were nominee-registered. The registered number of shares was 247,982,000 on 25 May 2010.

Largest shareholders, 25 May 2010:

	Shareholder	Shares	%
1	Kermas Limited	70 766 500	28.5
2	Atkey Limited	50 281 401	20.3
3	Hanwa Company Limited	30 000 000	12.1
4	Nordea Bank Finland Plc nominee-registered	22 777 163	9.2
5	Evli Bank Plc nominee-registered	21 048 328	8.5
6	Hino Resources Co. Ltd	11 261 191	4.5
7	Ruukki Group Plc	8 740 895	3.5
8	Kankaala Markku	8 447 285	3.4
9	Skandinaviska Enskilda Banken nominee-registered	6 016 688	2.4
10	Hukkanen Esa	4 910 100	2.0
	Total	234 249 551	94.5
	Other Shareholders	13 732 449	5.5
	Total shares registered	247 982 000	100.0

CHANGES IN THE NUMBER OF SHARES AND SHARE CAPITAL DURING OR AFTER THE REVIEW PERIOD

On 31 December 2009, the registered number of Ruukki Group Plc shares was 261,034,022. In February 2010 altogether 13,052,022 shares were cancelled, and the registered amount of shares changed to 247,982,000. On 28 May 2010 the Company had altogether 8,740,895 own shares, which was equivalent to about 3.52% of all registered shares.

Based on the resolution by the Annual General Meeting on 21 April 2010, the Board has currently been authorised for a buy-back of maximum 10,000,000 own shares. This authorisation is valid until 21 October 2011.

There have been no changes as to the potential dilution from option rights as compared to the information presented in the Group's 2009 Annual Report.

SHARE-BASED COMPENSATION

The Group has directed a free issue of shares to the members of the Board of Directors as approved by the Annual General Meeting in 2010. The maximum amount of shares to be given within the scheme is initially 800,000 shares and additionally a maximum of 600,000 shares, if the members of the Board of Directors continue in their duty after the second and third ordinary general meeting following the approval of the initial issue. According to the decision by Annual General Meeting 2010 the Group will use treasury shares to settle the transactions.

The compensation plan is settled in shares and is accordingly recognised as equity-settled in the Group's IFRS financial statements. The fair value of the granted shares is determined based on the market price of Ruukki Group share at the grant date. The total fair value is therefore the amount of granted shares multiplied with the share market price at grant date. The cost is recognised as expense in personnel costs over the vesting periods and credited to equity (retained earnings).

The grant date for both the initial and the additional shares has been determined to be the date of the Annual General Meeting 2010, being 21 April 2010. The initial amount of shares (maximum of 800,000 shares) will have a graded three year vesting schedule, 1/3 of the shares will vest annually at each Annual General Meeting subsequent to AGM 2010. The additional shares (maximum of 600,000 shares) will vest immediately, if the Directors continue in their duty after the second and third ordinary general meeting following the approval of the initial issue (being the AGM 2010). The shares are subject to a three year lock-up period. Based on historical information the company has estimated that 20% of the total maximum amount of shares granted will be forfeited during the vesting period. This estimate is revised until the final outcome is known. Finally the cumulative cost of the scheme will equal the amount of vested shares multiplied with the grant date fair value of the share.

GENERAL MEETINGS

Ruukki Group Plc's Annual General Meeting was held in Espoo on Wednesday 21 April 2010. The Board of Directors' as well as shareholders' proposals for the Annual General Meeting have been published in entirety by a stock exchange release on 31 March 2010, and in addition the amendment to shareholders' proposal on the election of the members of the Board of Directors was published by a stock exchange release on 9 April 2010.

The Annual General Meeting adopted the financial statements and the consolidated financial statements for the financial year 1 January 2009 – 31 December 2009. Deviating from the previously given information the financial statements were dated on 31 March 2010. The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, not to pay dividend from the financial period that ended on 31 December 2009. The Annual General Meeting discharged the Board of Directors and the Chief Executive Officer from liability for the financial year 2009.

The Annual General Meeting resolved that the Chairman of the Board shall be paid EUR 7,500 per month, the new Board members EUR 6,500 per month and the continuing Board members EUR 5,000 per month. In addition, those members of the Board that are members of the Audit Committee shall be paid for their work at the Audit Committee as follows: the chairman of the Audit Committee EUR 1,000 per Audit Committee's meeting and the other members EUR 500 per Audit Committee's meeting. For any other committees, the chairman shall be paid EUR 600 per committee meeting and the other members shall be paid EUR 300 per committee meeting. The Annual General Meeting resolved that the Company will pay the fee to the auditor against an invoice. The Annual General Meeting resolved that the Board of Directors shall be composed of seven members. Markku Kankaala, Jelena Manojlovic and Terence McConnachie were re-elected to the Board of Directors and Philip Baum, Paul Everard, Chris Pointon and Barry Rourke were elected as new members to the Board of Directors. The new Board of Directors convened after the Annual General Meeting and re-elected Jelena Manojlovic as the Chairman of the Board of Directors. Authorized Public Accountant Firm Ernst & Young Oy was re-elected as the auditor of the Company. Ernst & Young Oy has put forward APA Tomi Englund as principal auditor.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to amend the provision concerning the notice period of the Annual General Meeting (Article 8). The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, that the Company shall make a capital repayment from the paid-up un-restricted equity reserve to the shareholders in such a way that assets shall be distributed EUR 0.04 per share. The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to issue a maximum of 800,000 shares from the Company's treasury shares, by a directed free issue to the members of the Board of Directors. The shares will be issued free of charge and derogating from the pre-emptive subscription right of the shareholders for an especially weighty financial reason, as the shares will form an essential part of the remuneration package for the work at the Board of Directors. The Annual General Meeting authorised the Board of Directors to decide upon share issue and upon issuing of stock options and other special rights that entitle to shares. By virtue of the authorisation shares could be emitted in one or more tranches in total a maximum of 100,000,000 new shares or shares owned by the Company. The Board of Directors would by virtue of the authorisation be entitled to decide on the share issues and on the issuing of stock options and other special rights that entitle to shares. The Annual General Meeting authorised the Board of Directors to decide on the acquiring of Company's own shares. By virtue of the authorisation concerning the acquiring of own shares, a maximum of 10,000,000 own shares can be acquired with the funds from the Company's unrestricted shareholders' equity.

COMPANY'S SHARE

Ruukki Group Plc's shares (RUG1V) are listed on NASDAQ OMX Helsinki in which the shares of the Company are traded in the mid cap segment, in the industrials sector.

During the first quarter, the price of Ruukki Group's share varied between EUR 1.90 (1-3/2009: 1.04) and EUR 2.30 (1.70). A total of 2,088,521 (123,368,810) Ruukki Group shares were traded in the review period, representing 0.8% (47.3%) of all shares registered at the end of the review period. The closing price of the Company's share on 31 March was EUR 2.02 (1.60). The market capitalisation of the Group's entire capital stock 247,982,000 (261,034,022) shares at the closing price on 31 March was EUR 500.9 million (417.7).

FLAGGING NOTIFICATIONS DURING OR AFTER THE REVIEW PERIOD

Ruukki Group Plc has received the following flagging notifications during or after the review period 1 January – 31 March 2010. The notifications can be found in full on the company website at http://www.ruukkigroup.fi/In_English/News/Flaggings.iw3.

- 19 January 2010: Ruukki Group Plc => treasury shares held by the Company below 5%

- 20 January 2010: Atkey Limited => based on Ruukki Group's announcement of the Board's decision to cancel altogether 13,052,022 treasury shares held by
Ruukki Group Plc Atkey Limited's ownership will exceed 20% of the registered share capital and voting rights of Ruukki Group Plc after the cancellation has been registered at the Trade Register